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TAGS: [PREL](#) [PGOV](#) [KS](#) [KN](#)
SUBJECT: ROK EXPERTS SAY PRESIDENT LEE'S NORTH KOREA POLICY
UNLIKELY TO CHANGE

REF: SEOUL 00290 (SECRETARY'S VISIT)

Classified By: Ambassador Kathleen Stephens. Reasons 1.4(b/d).

11. (C) Summary: South Korean experts on the DPRK agree that the North's recent escalation of tensions with the South marks a qualitative change in South-North relations and that President Lee Myung-bak's policy of "benign neglect" toward the North is largely responsible for the change. Kim Jong-il's decision to escalate tensions is a bid to the new U.S. administration for negotiations and aid, a warning to the South to abandon its current policy toward the North, and justification to the North Korean public for the DPRK leadership's military-first policy in the face of ongoing economic hardship. How far the North is willing to go in pursuit of its goals is not clear, except for the virtually unanimous conclusion that the DPRK will not go so far as to give up its nuclear weapons. Despite President Lee's overall low approval ratings, a majority of the South Korean public supports Lee's North Korea policy, although the North would win support in the South by re-opening negotiations, allowing family reunions, or providing answers on POWs. A military confrontation, however limited, that had the effect of destabilizing the South's economy would likely result in increased support for President Lee's policy, at least in the short term. Lee shows no signs of making concessions to the North, but would likely be generous if the North agreed to engage on his terms. End Summary.

ROK Experts

12. (C) This message is based on extended conversations with the following North Korea experts, who represent a full spectrum of views on policy toward the North: Choi Jin-wook, Director, North Korean Studies, Korea Institute for National Unification; Huh Moon-young, Senior Research Fellow, Korea Institute for National Unification; Chin Ki-hoon, MOFAT, Director, Inter-Korean Policy Division; Cho Myung-chul, Director of the Center for Northeast Asian International Cooperation at the Korea Institute for International Economic Policy (KIEP); Park Sun-young, National Assembly Member, Liberty Forward Party; Chung Ok-nim, National Assembly Member, Grand National Party; Cheong Seong-chang, Senior Fellow and Director of the Inter-Korean Relations Studies Program, Sejong Institute; Paik Hak-soon, Senior Fellow and Director of the Center for North Korean Studies, Sejong Institute; Ryu Gil-je, Professor, University of North Korea Studies; and Andrei Lankov, Professor, Kookmin University, Seoul.

Has North Korea Hit the Reset Button on Strategy?

13. (C) South Korean experts on the DPRK -- academics and government officials -- believe that the North's recent escalation of tensions with the South marks a qualitative change in the North's assessment of its vulnerabilities and its tactics for ensuring its security. President Lee Myung-bak's policy of demanding reciprocity in South-North relations has, in the face of the North's rejection, become in effect a policy of "benign neglect" that has unnerved the North. It is not clear whether the North is confused, angry, or fearful, but the end of the ROK's "Sunshine Policy" era has altered the North's calculus of its position.

14. (C) Mindful of the lessons of the USSR's collapse and mistrustful of China's motives, the DPRK's strategy for its security and economic survival depended on beneficial relations with the South and normalized relations with the U.S. The North was confident it had sewn up its beneficial relations with the South in the agreements it had made over ten years with Presidents Kim Dae-jung and Roh Moo-hyun. The DPRK leadership was caught off guard by how quickly and substantially the South's policy changed under President Lee and felt either betrayed or frightened by the new insistence on reciprocity. Lee undermined a major element of the North's strategy, one the North thought it had under control, and at the same time complicated the North's goal of normalized relations with the U.S. The North is left essentially empty-handed -- disappointed with Russia, mistrustful of China, afraid of or betrayed by the South, and still distant from the U.S.

Wither Kim Jong-il?

15. (C) North Korea watchers in the South believe Kim Jong-il (KJI) was responsible for the North's fundamental reassessment of its position on South-North relations, as the North's decision to escalate tensions was taken months before news of KJI's September 2008 illness. The North made a decision not to acknowledge or comment on Lee's December 2007 election and was largely silent until March 2008 when it escalated its bellicose rhetoric, insulting Lee personally and condemning his North Korea policy. In May the North refused the South's offer of food assistance. In July North Korean security personnel shot and killed a South Korean tourist at the Mount Kumgang resort, leading to the closure of one of the crown jewels of the South's "Sunshine Policy." KJI was likely seriously ill in the fall of 2008 and may still be recovering, but he is firmly in control. KJI remains "the incarnation of power," in the words of Ryu Gil-je, Professor at the University of North Korean Studies.

What Is the North's End Game?

16. (C) The North's actions have three audiences of any consequence: the U.S., South Korea, and the North Korean public. The escalation of tensions is intended to achieve results with all three. First, the North desperately wants to stabilize and secure its front with the U.S. -- to foreclose the possibility of military confrontation and to enjoy all the benefits of U.S. recognition and the international assistance that would follow. The North hopes to compel the U.S. to the negotiation table on favorable terms. Second, the North cannot feel secure as long as its relationship with the South is not managed to the North's benefit. Forcing President Lee to back down is critical to the North's ability to manage its relationship with the South. Third, the DPRK leadership is engaged in an unending effort to justify its military-first policy in the face of severe economic hardship in the North and the threat of imminent crises meets that need.

¶7. (C) Most, but not all, DPRK watchers in the South with whom we have met believe the North will go as far as a limited military confrontation, for example a naval battle to challenge the Northern Limit Line (NLL), but no further in its campaign to escalate tensions. It is not clear whether the North has calculated what its response would be if the U.S. and South Korea do not finally accede to its demands. Most observers agree that the North was surprised by the South's unwillingness to respond to threats in December 2008 to close the Kaesong Industrial Complex (KIC). After the Lee administration called the North's bluff by announcing that it was prepared to cover the insurance claims of companies operating in the KIC affected by a closure, the North prohibited the travel of South Korean tourists and placed only relatively minor restrictions on the operations of the factories in the KIC -- but did not follow through on implied threats to close the KIC.

¶8. (C) There is virtual unanimity among DPRK watchers we consulted that the North will not give up its nuclear capabilities to achieve its goals. If the DPRK was unwilling to denuclearize during the "Sunshine Policy" era of Kim Dae-jung and Roh Moo-hyun, it is less likely to do so now. And if KJI has been unwilling to denuclearize, it is even more unlikely that when he dies the North Korean military would be willing to bargain away its nuclear card. The view among North Korea watchers is pessimistic: if there was ever a window for the North to agree to denuclearization, it has closed.

Is the South Korean Public Paying Attention?

¶9. (C) Despite President Lee's overall low public approval ratings, a majority of the South Korean public supports his North Korea policy, a policy he articulated in his election campaign. Whereas in the past the North has been successful in manipulating South Korean public opinion, this time, outside of the hard-core left, support for the North is

muted. If the public was willing during the decade of the "Sunshine Policy" to give the North the benefit of the doubt, Lee's argument that the North should reciprocate the South's generosity now resonates with mainstream South Koreans. And the North has not engendered support in the South with what are perceived to be unilateral and unreasonable demands, not to mention the North's killing of a tourist at Mount Kumgang in July 2008.

¶10. (C) As the South Korean economy begins to feel the effects of the slowing global economy, South Koreans will become more interested in their own wellbeing and even less concerned about the North. If the North were to engage in any actions, for example a limited military confrontation, that had the effect of destabilizing South Korea's economy, the public's apathy could turn to anger.

¶11. (C) At the same time, if the North were to re-establish contact with the South, allow family reunions, or provide answers on POWs, public opinion in the South would likely shift quickly in the North's favor, said Huh Moon-young, Senior Research Fellow at the Korea Institute for National Unification. President Lee has also pledged that on those terms he would be ready to generously engage the North.

Comment

¶12. (C) Just like the South Korean public, North Korea watchers who support an unqualified "Sunshine Policy" of unreciprocated assistance to the North are fewer in number than before. More important, Lee appears unwavering in what Blue House and MOFAT officials regularly describe as a psychological tug of war with the North that Lee is determined to win. Lee's recent selection of Hyun In-taek, who played a key role in crafting Lee's North Korea policy,

as the new Minister of Unification quashes any hopes that Lee's domestic opponents had that he would concede his principle of reciprocity. In recent weeks, for example, the Blue House nixed MOFAT's proposal to send a shipment of steel rods to the North in further fulfillment of its Six Party Talks commitment to provide energy assistance to the DPRK. The rods were supposed to be delivered upon confirmation that there would be a formal round of Six Party Talks, which took place December 8-11, 2008.

¶13. (C) With the South Korean public largely apathetic, even nonchalant, about deteriorating inter-Korean relations, President Lee is probably quite comfortable with his North Korea policy. The one variable he is anxious to gauge further is Washington's views. We believe President Lee interpreted the Secretary's message that the North could not drive a wedge between the U.S. and the ROK as support for a continuation of his policy (reftel). At the same time, Lee understands -- and needs for his public support -- the appearance of the closest possible policy coordination between Seoul and Washington. We therefore believe President Lee would be willing to adjust his position if we asked him to do so.

STEPHENS